



One Company
Many Brands



3 May 2016

Research Director
Education, Tourism, Innovation and Small Business Committee
Parliament House
George Street
BRISBANE QLD 4000

By email: etisbc@parliament.qld.gov.au

RE: National Injury Insurance Scheme (Queensland) Bill 2016

Suncorp welcomes the opportunity to provide feedback on the National Injury Insurance Scheme (Queensland) Bill 2016 (the Bill).

We are disappointed that the Queensland Government has chosen not to implement a full lifetime care model for individuals injured in catastrophic motor accidents.

However, we commend the Government on committing to a no-fault scheme for these injuries and remain committed to working with the government to establish the National Injury Insurance Scheme, Queensland (NIIS(Q)) and National Injury Insurance Agency, Queensland (NIIA(Q)).

Suncorp has several concerns relating to the Bill, which we believe should be addressed before implementation. These issues are outlined below.

Clarifying liability for lump sum payments

As noted in the submission made by the Insurance Council of Australia, insurers have concerns relating to the provisions under s42 of the Bill, relating to the payment of lump sums for those who opt out of the NIIS(Q).

The current drafting of this section could be interpreted to mean that insurers are liable for payment of treatment, care and support damages, and that these costs would then be recovered from the NIIA(Q).

The scheme is not intended to operate in this way, and such an interpretation could result in lengthy payment disputes.

Suncorp supports the recommendation of the Insurance Council of Australia (ICA) that the *Motor Accident Insurance Act 1994* be amended to reflect that insurers are not liable for these costs.

Managing transitions between NIIS(Q) and lump sum funding

There is potential for significant complexity to arise in the administration of catastrophic injury claims between CTP insurers and the NIIA(Q).

Suncorp is keen to work closely with the NIIA(Q) to ensure that the interaction between the two schemes is as simple as possible, and does not have an adverse impact on claimant outcomes.

However, we have specific concerns about the potential for the legal costs of claimants choosing to pursue a lump sum to increase.

This is because the nature of the NIIS(Q) model is likely to result in two separate payments to individuals – one from the CTP insurer for economic and non-economic loss, and another from the NIIA(Q) for care and support.



There is currently no transparency around how much of the lump sum an individual receives goes toward legal fees. Increased fees under the new model may reduce the overall amount of compensation injured individuals receive to manage their ongoing care and support.

Suncorp urges the Government to consider how claimants who choose to pursue a lump sum can be given certainty that their care and support funds will not be impacted by increased legal fees.

Implementation challenges

All parties involved in the implementation of the NIIS(Q) are acutely aware of the short transition period to implement the NIIS(Q) by 1 July 2016.

The Insurance Commissioner has recently commenced discussions with the industry around effective implementation of the NIIS(Q), including the transfer of unearned premiums.

Ongoing engagement with all stakeholders will be vital as the scheme is established, and as the operation of the scheme continues, to ensure that it delivers the best possible outcomes for catastrophically injured individuals.

Evaluation and review

It will be important to review the operation of the NIIS(Q) at regular intervals once established, to ensure that NIIS benchmarks are being met and claimant outcomes are not compromised.

It will be particularly important to monitor the adequacy of common law payments where individuals opt out of the NIIS(Q), to ensure these individuals have adequate funds to access treatment, care and support services that meet their needs.

Suncorp looks forward to working closely with Government and the Regulator to ensure that the Queensland CTP scheme remains efficient and affordable for motorists, while continuing to deliver positive outcomes for those individuals injured in accidents.

If you wish to discuss this submission further, or to arrange a briefing, please contact me on [REDACTED]

[REDACTED] or Jonathan Davies, Manager Public Policy – Commercial Insurance on [REDACTED]
[REDACTED]

Yours faithfully



Daniel Wilkinson

**Executive Portfolio Manager
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